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ND DISTRICT CHAMBER OF COMMERCE

RESPONSE TO

"BUILDING ON STRENGTH - REALIZING OPPORTUNITY -
AN ECONOMIC STRATEGY FOR HAMILTON-WENTWORTH"

URBAN MUNICIPAL

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GOVERNMENT DOCUMENTS



SEPTEMBER, 1986



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THE HAMILTON AND DISTRICT CHAMBER OF COMMERCE
Response to

"BUILDING ON STRENGTH - REALIZING OPPORTUNITY
AN ECONOMIC STRATEGY FOR HAMILTON-WENTWORTH"

SEPTEMBER, 1986

The Hamilton and District Chamber of Commerce representing over 850 companies in the Regional Municipality of Hamilton-Wentworth has been the voice of business in the community for approximately 140 years. During the 1985-86 year, the Hamilton Chamber's Board of Directors adopted a three year plan of action centered around the common objective of job creation in the community.

The Chamber applauds the adoption of such a comprehensive economic strategy for the Region as is expressed in the document "Building on Strength - Realizing Opportunity". Chamber members have expressed the need for long and short term objectives for marketing this area and welcome this opportunity to provide input to this report.

While the report focuses on attracting young, managerial and professional people to bolster the service and small business sector of our economy, it assumes that industries, will remain consistent with today's employment and tax base levels with only minor adjustments in the Region's servicing approach.

This proposed shift in emphasis is seen by the business community as an abandonment of the manufacturing sector to adjust to "structural changes" alone. Indeed, this sector recognizes that employment growth within its framework over the past 4 to 5 years has been virtually non-existent and the opposite trend, one of declining employment, is of major concern to the industrial members of our community.

The Hamilton and District Chamber of Commerce, in its long range planning, has examined the possible future economic scenario affecting the business community of Hamilton-Wentworth with the following outside factors in mind:

- * Freer trade possibility with the United States
- * Inflation close to today's rates
- * Oil prices unlikely to surge upwards
- * Growing world capacity in "Commodity" products
- * Developing nations building manufacturing strength
- * Governments unwilling to "govern" and people's expectations will continue high

Implications of these outside factors for the business community include highly competitive markets; little or no price increases; cost pressures will continue and margins and profits be squeezed. Modern manufacturing practices such as JIT (Just in Time) and SPC (Statistical Process Control) will be required to remain competitive.

We have asked ourselves, "Can Canada, and indeed, can Hamilton remain competitive?" and "What do manufacturers need to stay competitive?" The solutions lie in investment in automation, development of skills in modern manufacturing methods such as CAD/CAM (Computer Aided Design/ Computer Aided Manufacturing), SPC, etc., the building of companies with less overhead and the encouragement of innovation and creativity in every aspect of a company's operation.

The effects of these types of solutions to structural change in manufacturing will be critically felt by our labour force. Unskilled workers will find it difficult to find work and therefore a core of unemployed will remain.

Manufacturers have recognized that there is indeed a drastic shortage of skilled people to set up and run the type of operation needed to be competitive. The Hamilton and District Chamber of Commerce, therefore, in the coming 1987-88 year will be shifting its focus to this area of skills development, both from the educational approach as well as on-the-job retraining aspect, while still building on our previous years' emphasis of youth employment and tourism development. But we cannot do it alone. We need the Region's co-operation and assistance in working towards a comprehensive community-oriented plan of action to reach:

- a) those in the education field to encourage students to enter the skilled trades and manufacturing engineering areas
- b) those on-the-job employees requiring retraining
- c) the unemployed for skills upgrading
- d) the manufacturing sector to recognize their future job skills requirements and plan accordingly.

Recognizing this area as one of major concern to the Hamilton-Wentworth business community would be one recommendation we urge the Region to consider in its future Economic Strategy.

There are some other concerns we would like to point out with respect to the Strategy's recommendations.

- 1) In recommending targets for marketing efforts, non-profit organizations have been selected as one of the top priorities.

While the Chamber agrees that some organizations provide a key element of service to attracting businesses to locate here, traditionally non-profit associations have very few staff requirements, small office needs and depend heavily on volunteers. The examples cited in the report, for the most part, are organizations that are needed in the health and welfare fields and do not necessarily attract business to locate here.

The Chamber has long been an advocate for increased federal and provincial government departments to be located in the Hamilton-Wentworth Region. This target market should certainly be elevated in priority in the Region's strategy, since increased government services locally aid in attracting and servicing area businesses and would assist in the Region's strategy to become a wider Regional Centre.

- 2) In recommending methods to influence population migrations, major population centres in neighbouring regions have been targeted with specific emphasis on young, managerial and professional people.

The Chamber agrees with this strategy if it is targeted at centres such as Niagara Falls, St. Catharines, Brantford, Kitchener, Guelph, Oakville etc. since centres smaller than Hamilton may not provide the amenities of "Metropolitan Life" that Hamilton possesses.

- 3) The creation of a Small Business Centre has been recommended.

The Chamber agrees that the Region should capitalize on the passing of Provincial Bill 79, to encourage and develop small business centres. However, as stated in previous correspondence to the Regional Chairman and the Honourable B. Grandmaitre, Minister of Municipal Affairs, the Hamilton and District Chamber of Commerce believes that "The Incubator Concept" should incorporate some private sector involvement and make sources of capital and incentives to newly formed small businesses a form of loan that would be paid back to the Small Business Development Corporation at the end of its three year tenure. The Chamber also wishes to caution the Region in using taxpayers dollars to subsidize new business ventures that might operate in direct competition with existing businesses already located within the Region.

The Chamber, however, wishes to offer its services to assist in the development of this concept in whatever way necessary to achieve a workable and effective service to the business community.

- 4) Municipal government can have a significant impact on regional and local economies by outstanding performance in four areas: public investment, levels of service, marketing and institutional innovations.

Again we would remind Regional Government officials that levels of service,

especially to existing businesses within the Region can be the Region's best source of word-of-mouth advertising using local companies as a marketing resource.

The Chamber questions the intention of Regional Government to influence institutional changes towards the concentration of new and small business needs as outlined in the main body of the report. The business community and in particular, the manufacturing sector, are currently experiencing an acute shortage of technically skilled labour. The Chamber cautions the Region in its efforts to introduce community-based institutional changes to solve some of Hamilton's economic problems. They may, indirectly, shift the emphasis towards one sector of the business community (the service sector) and leave another (the manufacturing sector) without adequate sources of skilled labour.

May we also suggest that municipal government can add a fifth area to these impact influences. Further on in the strategy a set of principles and assumptions provide the basis for goal setting, analysis and action. One of these states that the Strategy provides a focal point for the feeling of well-being and direction for the economic community. We encourage that, once the strategy has been adopted and a plan of action created, politicians adhere to the principles adopted by the strategy and allow themselves, Regional staff and others in the community who might assist in carrying out the strategy, to do so without major deviation from the plan. Confidence from a business perspective can only result when a long term strategy can be depended upon for implementation.

5) Improved measures of Quality of Life to attract people to the Region.

Emphasis should also be placed on the amenities that Hamilton already has ie.

- *access to quality homes and neighbourhoods
- *cultural and arts facilities
- *access to post-graduate education
- *physical attributes of Hamilton Harbour and the Escarpment's natural qualities

- 6) Tourism can be expected to make a significant contribution to Hamilton-Wentworth's evolution as a regional centre.

The Chamber has long been encouraging the development of tourism in Hamilton-Wentworth and would venture to suggest that, with the adoption and implementation of the Region's Tourism Study plus the Hamilton and District Chamber of Commerce Report "Strategy Tomorrow Means Action Today", tourism will pole vault Hamilton into more than just a regional tourist and convention centre. Actions in this sector of the strategy should closely relate to both the Region's and the Chamber's previous reports and close scrutiny would suggest some conflicts in direction within this report and the other two.

- 7) Community directed promotions in the Region's market area have excellent potential.

The idea of community promotions is not new nor is it innovative and usually a very costly venture for a very little gain. They would not, in our opinion, attract the type of target markets previously identified in this report i.e. the young manager or professional. It will attract the younger, unattached, mobile age group as well as the "senior set", both groups used to travelling in groups, by bus and looking for discounts and freebies.

The Chamber suggests that weekend packaging of special events, festivals, attractions, accommodations, and shopping should be encouraged by the private sector and assistance in marketing packages to the hinterland by the Region would be a more effective way to promote to target markets.

- 8) Infrastructure Improvements with respect to
 - a) Transportation & Communications - The Chamber is disappointed in the Region's attitude towards the Hamilton Airport. The report mentions that the Region is already developing a marketing plan for the airport emphasizing it as a Regional one. This suggests that the efforts of Mayor Morrow and the Chamber in encouraging the Minister of Transport

to designate Hamilton Airport as an alternative to Pearson International have not been supported by the Region. This designation would encourage more than regional traffic and elevate Hamilton's destination as a tourism, convention and business mecca with flight service that may be international in nature. Road access to the Airport is a critical factor in the development of that facility and an area in which the Chamber feels more emphasis should be placed in the report. As well, fibre optics communication links with Toronto could influence the decision of company headquarters locating in the Hamilton area and should be encouraged.

- b) Downtown Development - The office concentration goal downtown warrants a closer look at parking and public transportation modes. The report skims over these needs with no clear, precise analysis or recommendations.
- c) Innovative Resources - The development of innovative resources such as the proposed Incline Railway, Escarpment Restaurant, Waterfront Development and other recreational resources mentioned in the report are to be applauded. Private sector involvement in these projects should be encouraged.
- d) Development Standards - The Chamber agrees that buffer zones between land uses should be planned for future residential development. However, it has long advocated that imposing buffer zones on already developed multi-use areas would create hardships for both residential and corporate landholders. The report also mentions underground services as standard for all development and we would encourage underground services even in older residential areas to be a long term goal.
- e) Gateways - The Chamber, in its report of June, 1986 on Tourism, urged Regional Government to investigate the need for an improved gateway from the east and would urge a concentrated effort to improve access to the City's core from that direction.

Of special note under recommendations being made to the Provincial Government, the Chamber would urge the following points be added:

- a) The improvement of signage and gateway access to the Region.
- b) Funding emphasis for the Waterfront and other development projects which must be elevated in priority by the Region.
- c) The examination of medical needs of this community and our "Hinterland" to study the feasibility of providing facilities and services currently lacking. The Chamber feels that by fulfilling this need, Greater Hamilton could provide a key element in becoming a Regional Centre for those services.

CONCLUSIONS

With less of a shift in emphasis from servicing local industrial concerns to attracting service companies to the area, Hamilton-Wentworth is on the right track. The Chamber urges Regional Government to get on with the job of providing the impetus for change and assistance to adjust to that change in an effort to foster a stronger, more vibrant Hamilton Community in the future.

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